

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

952



**FROM:** Treasurer-Tax Collector

**SUBMITTAL DATE:**  
July 3, 2008

**SUBJECT:** Resolution No. 2008-327 - Murrieta Valley Unified School District General Obligation Bonds, Election of 2006, Series 2008 (Vote on Separately)

**RECOMMENDED MOTION:** That your Honorable Board approve and adopt Resolution No. 2008-327, Authorizing the Issuance and Sale of General Obligation Bonds on Behalf of Murrieta Valley Unified School District in an Aggregate Principal Amount Not to Exceed \$25,000,000.

**BACKGROUND:** Education Code Section 15140 requires that General Obligation Bonds of a school district be offered for sale by the Board of Supervisors of the County when the County's Superintendent of Schools has jurisdiction over the district and when the district wishes to offer its bonds via a negotiated sale. Although the Education Code also permits a board of supervisors to opt out of that requirement, this Board has not adopted the necessary enabling resolution. At the same time the County Treasurer has taken the position that school districts should not be negotiating the sale of bonds without his participation.

(Continued on page 2)

Paul McDonnell, Treasurer - Tax Collector

FORM APPROVED COUNTY COUNSEL  
 BY DALE A. GARDNER DATE 6/30/08  
 Departmental Concurrence

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$	In Current Year Budget: Budget Adjustment: For Fiscal Year:
	Current F.Y. Net County Cost:	\$	
	Annual Net County Cost:	\$	
<b>SOURCE OF FUNDS:</b>			Positions To Be Deleted Per A-30 <input type="checkbox"/>
			Requires 4/5 Vote <input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE  
 BY:   
 County Executive Office Signature Christopher M. Hans

Dept Recomm.:  Consent  Policy   
 Per Exec. Ofc.:  Consent  Policy

Prev. Agn. Ref.: \_\_\_\_\_ District: \_\_\_\_\_ Agenda Number: **3.64**

Date: July 3, 2008  
From: Treasurer-Tax Collector  
Subject: Resolution No. 2008-327  
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Murrieta Valley Unified School District (the "District"), under the jurisdiction of the Riverside County Superintendent of Schools, wishes to offer bonds via a negotiated sale.

The issuance of the bonds has been approved by the voters of the District. An election was held on June 6, 2006, pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Section 15266 of the Education Code which codifies, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed \$120,000,000 was approved by 55% or more of the qualified voters of the District.

On October 21, 2006, at the request of the District, the Board of Supervisors adopted Resolution No. 2006-422 which authorized the issuance and sale of Murrieta Valley Unified School District General Obligation Bonds, Election of 2006, Series 2007 in an aggregate principal amount not to exceed \$95,000,000.

On May 8, 2008 and June 26, 2008 the District's Board of Education adopted resolutions requesting the Board of Supervisors to issue and sell the remaining portion of the District's general obligation bonds on behalf of the District. Resolution No. 2008-327 authorizes the issuance and sale of Murrieta Valley Unified School District General Obligation Bonds, Election of 2006, Series 2008 in an aggregate principal amount not to exceed \$25,000,000.

The bond proceeds are to be expended only for identified school facilities and improvements. All expenditures are subject to the review of a Citizen's Oversight Committee appointed by the District's Board of Education.

These bonds represent general obligations of the District; these bonds do not constitute a debt or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of these Bonds.

The Office of County Counsel has reviewed Resolution No. 2008-327 and the attached documents and has approved them as to form.

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**RESOLUTION NO. 2008-327**

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF BONDS ON BEHALF OF THE MURRIETA VALLEY UNIFIED SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 BY A NEGOTIATED SALE PURSUANT TO A CONTRACT OF PURCHASE, PRESCRIBING THE TERMS OF SALE OF THE BONDS, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE CONTRACT OF PURCHASE, AND AUTHORIZING THE EXECUTION OF NECESSARY CERTIFICATES RELATING TO THE BONDS.**

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**WHEREAS**, an election was duly called and held in the Murrieta Valley Unified School District, County of Riverside, California (the "District"), on June 6, 2006, at which the following proposition (as abbreviated pursuant to Section 13247 of the California Elections Code) was submitted to the electors of the District:

"To relieve overcrowding, improve student learning and safety, and qualify for State matching funds, shall Murrieta Valley Unified School District complete construction of a third high school; build two new elementary schools and a new middle school; replace aging portables with permanent classrooms; and upgrade classrooms, school technology, facilities and grounds; by issuing \$120,000,000 of bonds at legal interest rates, with independent citizen oversight, no money for administrative salaries, and all funds staying local to benefit Murrieta schools?"

**WHEREAS**, at least fifty-five percent (55%) of the votes cast on the proposition were in favor of issuing the bonds;

**WHEREAS**, \$95,000,000 aggregate principal amount of said bonds designated "Murrieta Valley Unified School District General Obligation Bonds, Election of 2006, Series 2007" have heretofore been issued and sold;

**WHEREAS**, pursuant to California Education Code Section 15140 et seq., the Board of Education (the "Board of Education") of the District has requested the Board of Supervisors (the "Board of Supervisors") of the County of Riverside (the "County") to issue the remaining portion of said bonds in a single series designated the "Murrieta Valley Unified School District General

1 Obligation Bonds, Election of 2006, Series 2008” (the “Series 2008 Bonds”) in an aggregate  
2 principal amount not exceeding \$25,000,000, and to authorize the sale of the bonds by a  
3 negotiated sale to Piper Jaffray & Co. (the “Underwriter”) pursuant to a Contract of Purchase (the  
4 “Contract of Purchase”), a form of which has been submitted to and is on file with the Clerk to  
5 this Board of Supervisors, all according to the terms and in the manner set forth in a resolution  
6 duly adopted by the Board of Education of the District on May 8, 2008, as amended by a  
7 resolution adopted by the Board of Education of the District on June 26, 2008 (collectively, the  
8 “District Resolution”), certified copies of which have been filed with the Clerk to this Board of  
9 Supervisors;

10 **WHEREAS**, this Board of Supervisors accepts the representations of the Board of  
11 Education in the District Resolution that it is desirable for the Board of Supervisors to issue the  
12 Series 2008 Bonds on behalf of the District and to sell the Series 2008 Bonds by a negotiated sale  
13 for the purposes for which the Series 2008 Bonds have been authorized on the terms and  
14 conditions set forth in the District Resolution and the Contract of Purchase; and

15 **WHEREAS**, the Series 2008 Bonds will be issued by this Board of Supervisors on behalf  
16 of the District, payable from ad valorem taxes to be levied on all taxable property in the District,  
17 as herein provided;

18 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS**  
19 **OF THE COUNTY OF RIVERSIDE, AS FOLLOWS:**

20 **Section 1. Recitals.** All of the above recitals are true and correct.

21 **Section 2. Definitions.** Unless the context clearly otherwise requires, the terms  
22 defined in this Section shall, for all purposes of this Resolution, have the meanings specified  
23 herein, to be equally applicable to both the singular and plural forms of any of the terms herein  
24 defined.

25 **“Board of Education”** means the Board of Education of the District.

26 **“Board of Supervisors”** means the Board of Supervisors of the County.

27 **“Capital Appreciation Bonds”** means those Series 2008 Bonds accreting interest  
28 semiannually to the maturity date thereof payable in accordance with Section 6(e) hereof.

1           **“Cede & Co.”** means Cede & Co., the nominee of DTC, and any successor nominee of  
2 DTC with respect to the Series 2008 Bonds.

3           **“Code”** means the Internal Revenue Code of 1986.

4           **“Continuing Disclosure Certificate”** means the Continuing Disclosure Certificate  
5 executed and delivered by the District relating to the Series 2008 Bonds.

6           **“Contract of Purchase”** means the Contract of Purchase relating to the sale of the Series  
7 2008 Bonds by and among the County, the District and the Underwriter.

8           **“County”** means the County of Riverside.

9           **“County Resolution”** means this Resolution of the Board of Supervisors.

10           **“Current Interest Bonds”** means those Series 2008 Bonds bearing interest payable  
11 semiannually on a current basis in accordance with Section 6(d) hereof.

12           **“District”** means the Murrieta Valley Unified School District.

13           **“District Resolution”** means, collectively, the resolutions of the District adopted on May  
14 8, 2008, and on June 26, 2008, relating to the Series 2008 Bonds.

15           **“DTC”** means The Depository Trust Company, a limited-purpose trust company  
16 organized under the laws of the State of New York, and its successors as securities depository for  
17 the Series 2008 Bonds, including any such successor thereto appointed pursuant to Section 10  
18 hereof.

19           **“Interest Payment Date”** means (unless otherwise specified in the Contract of Purchase)  
20 March 1 and September 1 of each year, commencing on March 1, 2009 with respect to the  
21 Current Interest Bonds and, for purposes of compounding interest on the Capital Appreciation  
22 Bonds, commencing on September 1, 2008, or such other dates as may be set forth in the Contract  
23 of Purchase.

24           **“Official Statement”** means the Official Statement of the District relating to the Series  
25 2008 Bonds.

26           **“Owner”** means, with respect to any Series 2008 Bond, the person whose name appears  
27 on the Registration Books as the registered Owner thereof.

28           **“Paying Agent”** means Zions First National Bank or any successor bank, trust company,

1 national banking association or other financial institution appointed as Paying Agent to act as  
2 authenticating agent, bond registrar, transfer agent and paying agent for the Series 2008 Bonds in  
3 accordance with Section 9 hereof.

4 **“Record Date”** means, with respect to any Interest Payment Date for the Series 2008  
5 Bonds, the 15th day of the calendar month immediately preceding such Interest Payment Date,  
6 whether or not such day is a business day.

7 **“Registration Books”** means the books for the registration and transfer of the Series 2008  
8 Bonds maintained by the Paying Agent in accordance with Section 9(d) hereof.

9 **“Series 2008 Bonds”** means the “Murrieta Valley Unified School District General  
10 Obligation Bonds, Election of 2006, Series 2008” issued pursuant hereto.

11 **“State”** means the State of California.

12 **“Tax Certificate”** means the Tax Certificate, executed by the District, dated the date of  
13 issuance of the Series 2008 Bonds.

14 **“Treasurer”** means the Treasurer-Tax Collector of the County or any authorized deputy  
15 thereof.

16 **“Underwriter”** means Piper Jaffray & Co.

17 **Section 3. District Resolution Received.** This Board of Supervisors hereby  
18 acknowledges receipt of the District Resolution.

19 **Section 4. Authorization and Designation of Bonds.** This Board of Supervisors  
20 hereby authorizes, on behalf of the District, the issuance and sale of not to exceed \$25,000,000  
21 aggregate principal amount of Series 2008 Bonds. The Series 2008 Bonds shall be designated  
22 “Murrieta Valley Unified School District General Obligation Bonds, Election of 2006, Series  
23 2008”. The Series 2008 Bonds shall be issued as Current Interest Bonds and Capital  
24 Appreciation Bonds, as provided in Section 6 hereof.

25 **Section 5. Form of Bonds; Execution.** (a) *Form of Series 2008 Bonds.* The Series  
26 2008 Bonds shall be issued in fully registered form without coupons. The Current Interest Bonds,  
27 the Capital Appreciation Bonds, and the certificate of authentication and registration and the form  
28 of assignment to appear on each of them, shall be in substantially the form attached hereto as

1 Exhibit A and Exhibit B, respectively, with necessary or appropriate variations, omissions and  
2 insertions as permitted or required by this County Resolution.

3 (b) *Execution of Bonds.* The Series 2008 Bonds shall be signed by the manual or  
4 facsimile signatures of the Chairperson of the Board of Supervisors and of the Treasurer or the  
5 Treasurer's designee, and countersigned by the manual or facsimile signature of the Clerk to the  
6 Board of Supervisors. The Series 2008 Bonds shall be authenticated by a manual signature of a  
7 duly authorized signatory of the Paying Agent.

8 (c) *Valid Authentication.* Only such of the Series 2008 Bonds as shall bear thereon a  
9 certificate of authentication and registration as described in subsection (a), executed by the  
10 Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this  
11 County Resolution, and such certificate of authentication and registration shall be conclusive  
12 evidence that the Series 2008 Bonds so authenticated have been duly authenticated and delivered  
13 hereunder and are entitled to the benefits of this County Resolution.

14 (d) *Identifying Number.* The Paying Agent shall assign each Series 2008 Bond  
15 authenticated and registered by it a distinctive letter, or number, or letter and number, and shall  
16 maintain a record thereof at its principal office, which record shall be available to the District and  
17 the County for inspection.

18 **Section 6. Terms of Bonds.** (a) *Date of Series 2008 Bonds.* The Current Interest  
19 Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the  
20 Contract of Purchase. The Capital Appreciation Bonds shall be dated the date of their delivery, or  
21 such other date as shall be set forth in the Contract of Purchase.

22 (b) *Denominations.* The Current Interest Bonds shall be issued in denominations of  
23 \$5,000 principal amount or any integral multiple thereof. The Capital Appreciation Bonds shall  
24 be issued in denominations of \$5,000 accreted value at maturity ("maturity value") or any integral  
25 multiple thereof, except that the first numbered Capital Appreciation Bond may be issued in a  
26 denomination such that the maturity value of such Capital Appreciation Bond shall not be an  
27 integral multiple of \$5,000.

1 (c) *Maturity.* The Current Interest Bonds shall mature on the date or dates, in each of  
2 the years, in the principal amounts and in the aggregate principal amount as shall be set forth in  
3 the Contract of Purchase. No Current Interest Bond shall mature later than the date which is 25  
4 years from the date of the Current Interest Bonds. No Current Interest Bond shall have principal  
5 maturing on more than one principal maturity date. The Contract of Purchase may provide that  
6 no Current Interest Bonds shall be issued.

7 The Capital Appreciation Bonds shall mature on the date or dates, in each of the years,  
8 and in such maturity values as shall be set forth in the Contract of Purchase. No Capital  
9 Appreciation Bond shall mature later than the date which is 25 years from the date of the Capital  
10 Appreciation Bonds, to be determined as provided in subsection (a) of this Section. No Capital  
11 Appreciation Bond shall have principal maturing on more than one principal maturity date. The  
12 Contract of Purchase may provide that no Capital Appreciation Bonds shall be issued.

13 (d) *Interest; Current Interest Bonds.* The Current Interest Bonds shall bear interest at  
14 an interest rate not to exceed 12.0% per annum, payable on the Interest Payment Dates in each  
15 year computed on the basis of a 360-day year of 12 30-day months. Each Current Interest Bond  
16 shall bear interest from the Interest Payment Date next preceding the date of authentication  
17 thereof, unless it is authenticated after the close of business on a Record Date and on or prior to  
18 the succeeding Interest Payment Date, in which event it shall bear interest from such Interest  
19 Payment Date, or unless it is authenticated on or before the Record Date preceding the first  
20 Interest Payment Date, in which event it shall bear interest from its dated date; provided,  
21 however, that if, at the time of authentication of any Current Interest Bond, interest is in default  
22 on any outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the  
23 Interest Payment Date to which interest has previously been paid or made available for payment  
24 on the outstanding Current Interest Bonds.

25 (e) *Interest; Capital Appreciation Bonds.* The Capital Appreciation Bonds shall not  
26 bear current interest; each Capital Appreciation Bond shall accrete in value daily over the term to  
27 its maturity (on the basis of a 360-day year consisting of 12 30-day months), from its initial  
28 principal (denominational) amount on the date of issuance thereof to its stated maturity value at

1 maturity thereof, on the basis of a constant interest rate (which shall not exceed 12.0% per  
2 annum) compounded semiannually on each Interest Payment Date (with straight-line  
3 interpolations between Interest Payment Dates). The accreted value per \$5,000 maturity value of  
4 the Capital Appreciation Bonds on each Interest Payment Date shall be given for reference in a  
5 table of accreted values to appear in the Capital Appreciation Bonds; provided, however, that the  
6 accreted value determined in accordance with this Section shall prevail over any different  
7 accreted value given in such table. Interest on the Capital Appreciation Bonds shall be payable  
8 only upon maturity or prior redemption thereof.

9       **Section 7.     Payment of Bonds.** (a) *Sources of Payment for the Bonds.* The money for  
10 the payment of principal, redemption premium, if any, and interest with respect to the Series 2008  
11 Bonds shall be raised by taxation upon all taxable property in the District and provision shall be  
12 made for the levy and collection of such taxes in the manner provided by law and for such  
13 payment out of the interest and sinking fund of the District, and the Board of Supervisors hereby  
14 covenants to annually levy ad valorem taxes for the payment of the Series 2008 Bonds on all  
15 property in the District subject to taxation by the District without limitation as to rate or amount  
16 (except certain personal property which is taxable at limited rates).

17       (b) *Principal.* The principal of the Current Interest Bonds and the accreted value of the  
18 Capital Appreciation Bonds shall be payable in lawful money of the United States of America to  
19 the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying  
20 Agent.

21       (c) *Interest; Record Date.* The interest on the Current Interest Bonds shall be payable  
22 on each Interest Payment Date in lawful money of the United States of America to the Owner  
23 thereof as of the Record Date preceding such Interest Payment Date, such interest to be paid by  
24 check or draft mailed on such Interest Payment Date (if a business day, or on the next business  
25 day if the Interest Payment Date does not fall on a business day) to such Owner at such Owner's  
26 address as it appears on the Registration Books or at such address as the Owner may have filed  
27 with the Paying Agent for that purpose except that the payment shall be made in immediately  
28 available funds to any Owner of at least \$1,000,000 of outstanding Current Interest Bonds who

1 shall have requested in writing such method of payment of interest prior to the close of business  
2 on the Record Date immediately preceding any Interest Payment Date.

3 (d) *Interest and Sinking Fund.* Principal and interest due on the Series 2008 Bonds  
4 shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the  
5 Education Code.

6 (e) *Obligation of the District.* The Series 2008 Bonds are obligations of the District  
7 payable from amounts on deposit in the interest and sinking fund of the District as provided in  
8 Section 15146 of the Education Code. The Series 2008 Bonds do not constitute a debt, liability or  
9 obligation of the County and no part of any fund or account of the County is pledged or obligated  
10 to the payment of the Series 2008 Bonds.

11 (f) *Insurance.* The payment of principal and interest on the Series 2008 Bonds may  
12 be secured by an insurance policy as shall be described in the Contract of Purchase. The Contract  
13 of Purchase may provide that no insurance policy shall be obtained.

14 **Section 8. Redemption Provisions.** (a) *Optional Redemption.* The Series 2008  
15 Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall  
16 be designated in the Contract of Purchase. The Contract of Purchase may provide that the Series  
17 2008 Bonds shall not be subject to optional redemption, and may provide separate and distinct  
18 redemption provisions for the Current Interest Bonds and the Capital Appreciation Bonds. If less  
19 than all of the Series 2008 Bonds (Current Interest Bonds or the Capital Appreciation Bonds, as  
20 applicable), if any, are subject to such redemption and are called for redemption, such Series 2008  
21 Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District,  
22 and if less than all of the Series 2008 Bonds of any given maturity are called for redemption, the  
23 portions of such bonds of a given maturity to be redeemed shall be determined by lot.

24 (b) *Mandatory Sinking Fund Redemption.* The Current Interest Bonds, if any, which  
25 are designated in the Contract of Purchase as Current Interest Series 2008 Term Bonds shall also  
26 be subject to redemption prior to their stated maturity dates, without a redemption premium, in  
27 part by lot, from mandatory sinking fund payments in the amounts and in accordance with the  
28 terms to be specified in the Contract of Purchase. The principal amount of each mandatory

1 sinking fund payment of any maturity shall be reduced proportionately by the amount of any  
2 Current Interest Bonds of that maturity optionally redeemed in accordance with the provisions  
3 hereof prior to the mandatory sinking fund payment date. The Contract of Purchase may provide  
4 that the Current Interest Bonds shall not be subject to mandatory sinking fund redemption.

5 The Capital Appreciation Bonds, if any, which are designated in the Contract of Purchase  
6 as Capital Appreciation Series 2008 Term Bonds shall also be subject to redemption prior to their  
7 stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund  
8 payments in the amounts and in accordance with the terms to be specified in the Contract of  
9 Purchase. The amount of each mandatory sinking fund payment of any maturity shall be reduced  
10 proportionately by the amount of any Capital Appreciation Bonds of that maturity optionally  
11 redeemed in accordance with the provisions hereof prior to the mandatory sinking fund payment  
12 date. The Contract of Purchase may provide that the Capital Appreciation Bonds shall not be  
13 subject to mandatory sinking fund redemption.

14 (c) *Notice of Redemption.* Notice of any redemption of the Series 2008 Bonds shall be  
15 mailed by the Paying Agent, postage prepaid, not less than 30 nor more than 60 days prior to the  
16 redemption date (i) by first class mail to the County and the respective Owners thereof at the  
17 addresses appearing on the Registration Books, (ii) by certified, registered or overnight mail at  
18 least one business day before the mailing of notices to the Owners, to all organizations registered  
19 with the Securities and Exchange Commission as securities depositories, (iii) by certified,  
20 registered or overnight mail at the time of the mailing to the Owners, to at least two information  
21 services of national recognition which disseminate redemption information with respect to  
22 municipal securities, and (iv) as may be further required in accordance with the Continuing  
23 Disclosure Certificate.

24 Each notice of redemption shall contain all of the following information:

25 (i) the date of such notice;

26 (ii) the name of the Series 2008 Bonds and the date of issue of the Series 2008  
27 Bonds;

28 (iii) the redemption date;

- 1 (iv) the redemption price;
- 2 (v) the dates of maturity of the Series 2008 Bonds to be redeemed;
- 3 (vi) if less than all of the Series 2008 Bonds of any maturity are to be  
4 redeemed, the distinctive numbers of the Series 2008 Bonds of each maturity to be  
5 redeemed;
- 6 (vii) in the case of Series 2008 Bonds redeemed in part only, the respective  
7 portions of the principal amount of the Series 2008 Bonds of each maturity to be  
8 redeemed;
- 9 (viii) the CUSIP number, if any, of each maturity of Series 2008 Bonds to be  
10 redeemed;
- 11 (ix) a statement that such Series 2008 Bonds must be surrendered by the  
12 Owners at the principal corporate trust office of the Paying Agent, or at such other place  
13 or places designated by the Paying Agent; and
- 14 (x) notice that further interest on such Series 2008 Bonds will not accrue after  
15 the designated redemption date.

16 (d) *Effect of Notice.* A certificate of the Paying Agent that notice of redemption has  
17 been given to Owners and to the appropriate securities depositories and information services as  
18 herein provided shall be conclusive as against all parties. Neither the failure to receive the notice  
19 of redemption as provided in this Section, nor any defect in such notice shall affect the  
20 sufficiency of the proceedings for the redemption of the Series 2008 Bonds or the cessation of  
21 interest on the date fixed for redemption.

22 When notice of redemption has been given substantially as provided for herein, and when  
23 the redemption price of the Series 2008 Bonds called for redemption is set aside for the purpose  
24 as described in subsection (e) of this Section, the Series 2008 Bonds designated for redemption  
25 shall become due and payable on the specified redemption date and interest shall cease to accrue  
26 thereon as of the redemption date, and upon presentation and surrender of such Series 2008  
27 Bonds at the place specified in the notice of redemption, such Series 2008 Bonds shall be  
28 redeemed and paid at the redemption price thereof out of the money provided therefor. The

1 Owners of such Series 2008 Bonds so called for redemption after such redemption date shall be  
2 entitled to payment thereof only from the interest and sinking fund or the trust fund established  
3 for such purpose. All Series 2008 Bonds redeemed shall be cancelled forthwith by the Paying  
4 Agent and shall not be reissued.

5 (e) *Right to Rescind Notice.* The District may rescind any optional redemption and  
6 notice thereof for any reason on any date prior to the date fixed for redemption by causing written  
7 notice of the rescission to be given to the owners of the Series 2008 Bonds so called for  
8 redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on  
9 the date fixed for redemption moneys are not available in the interest and sinking fund or  
10 otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the  
11 principal of, interest, and any premium due on the Series 2008 Bonds called for redemption.  
12 Notice of rescission of redemption shall be given in the same manner in which notice of  
13 redemption was originally given. The actual receipt by the owner of any Series 2008 Bond of  
14 notice of such rescission shall not be a condition precedent to rescission, and failure to receive  
15 such notice or any defect in such notice shall not affect the validity of the rescission.

16 (f) *Funds for Redemption.* Prior to or on the redemption date of any Series 2008  
17 Bonds there shall be available in the interest and sinking fund of the District, or held in trust for  
18 such purpose as provided by law, monies for the purpose and sufficient to redeem, at the  
19 redemption prices as in this County Resolution provided, the Series 2008 Bonds designated in the  
20 notice of redemption. Such monies shall be applied on or after the redemption date solely for  
21 payment of principal of, interest and premium, if any, on the Series 2008 Bonds to be redeemed  
22 upon presentation and surrender of such Series 2008 Bonds, provided that all monies in the  
23 interest and sinking fund of the District shall be used for the purposes established and permitted  
24 by law. Any interest due on or prior to the redemption date shall be paid from the interest and  
25 sinking fund of the District, unless otherwise provided to be paid from such monies held in trust.  
26 If, after all of the Series 2008 Bonds have been redeemed and cancelled or paid and cancelled,  
27 there are monies remaining in the interest and sinking fund of the District or otherwise held in  
28 trust for the payment of redemption price of the Series 2008 Bonds, the monies shall be held in or

1 returned or transferred to the interest and sinking fund of the District for payment of any  
2 outstanding bonds of the District payable from such fund; provided, however, that if the monies  
3 are part of the proceeds of bonds of the District, the monies shall be transferred to the fund  
4 created for the payment of principal of and interest on such bonds. If no such bonds of the  
5 District are at such time outstanding, the monies shall be transferred to the general fund of the  
6 District as provided and permitted by law.

7 (g) *Defeasance of Bonds.* If at any time the District shall pay or cause to be paid or  
8 there shall otherwise be paid the principal, interest and premium, if any, on the Series 2008 Bonds  
9 at the times and in the manner provided herein and in the Series 2008 Bonds, or as provided in the  
10 following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall  
11 cease to be entitled to the obligation of the District as provided in Section 7 hereof, and such  
12 obligation and all agreements and covenants of the District and of the County to such Owners  
13 hereunder and under the Series 2008 Bonds shall thereupon be satisfied and discharged and shall  
14 terminate, except only that the District shall remain liable for payment of all principal, interest  
15 and premium, if any, represented by the Series 2008 Bonds, but only out of monies on deposit in  
16 the interest and sinking fund or otherwise held in trust for such payment; and provided further,  
17 however, that the provisions of subsection (g) hereof shall apply in all events.

18 For purposes of this section, the District may pay and discharge any or all of the Series  
19 2008 Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the  
20 District with the approval of the County, at or before maturity, money or non-callable direct  
21 obligations of the United States of America (including zero interest bearing State and Local  
22 Government Series) or other non-callable obligations the payment of the principal of and interest  
23 on which is guaranteed by a pledge of the full faith and credit of the United States of America, in  
24 an amount which will, together with the interest to accrue thereon and available monies then on  
25 deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the  
26 indebtedness on such Series 2008 Bonds (including all principal, interest and redemption  
27 premiums) at or before their respective maturity dates.

1           (h) *Unclaimed Monies.* Any money held in any fund created pursuant to this County  
2 Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal  
3 of, redemption premium, if any, or interest on the Series 2008 Bonds and remaining unclaimed  
4 for one year after the principal of all of the Series 2008 Bonds has become due and payable  
5 (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking  
6 fund of the District for payment of any outstanding bonds of the District payable from the fund;  
7 or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to  
8 the general fund of the District as provided and permitted by law.

9           **Section 9. Paying Agent.** (a) *Appointment; Payment of Fees and Expenses.* This  
10 Board of Supervisors does hereby consent to and confirms the appointment of the Zions First  
11 National Bank to act as the initial Paying Agent for the Series 2008 Bonds. All fees and expenses  
12 of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from  
13 the proceeds of sale of the Bonds, or from the interest and sinking fund of the District, insofar as  
14 permitted by law, including specifically by Section 15232 of the California Education Code, such  
15 fees and expenses shall be paid by the District.

16           (b) *Resignation, Removal and Replacement of Paying Agent.* The Paying Agent  
17 initially appointed or any successor Paying Agent may resign from service as Paying Agent and  
18 may be removed at any time by the District as provided in the Paying Agent's service agreement.  
19 If at any time the Paying Agent shall resign or be removed, the District shall appoint a successor  
20 Paying Agent, which shall be any bank, trust company, national banking association or other  
21 financial institution doing business in and having a corporate trust office in Los Angeles or San  
22 Francisco, California, with at least \$100,000,000 in net assets.

23           (c) *Principal Corporate Trust Office.* Unless otherwise specifically noted, any  
24 reference herein to the "principal corporate trust office" of the Paying Agent shall mean the  
25 corporate trust office of Zions First National Bank, in Los Angeles, California; provided,  
26 however, that in any case "Paying Agent" shall refer to any successor paying agent/registrar,  
27 authenticating agent and transfer agent for the Series 2008 Bonds, and "principal corporate trust  
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1 office” shall include the principal corporate trust office or other office of such successor Paying  
2 Agent designated thereby for a particular purpose.

3 (d) *Registration Books.* The Paying Agent will keep or cause to be kept at its  
4 principal corporate trust office sufficient books for the registration and transfer of the Series 2008  
5 Bonds, which shall at all times be open to inspection by the District and the County, and, upon  
6 presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it  
7 may prescribe, register or transfer or cause to be registered or transferred on the Registration  
8 Books, Series 2008 Bonds as provided in Section 10 and 11 hereof. The Paying Agent shall keep  
9 accurate records of all funds administered by it and of all Series 2008 Bonds paid and discharged  
10 by it. Such records shall be provided, upon reasonable request, to the County in a format  
11 mutually agreeable to the Paying Agent and the County.

12 **Section 10. Transfer Under Book-Entry System; Discontinuation of Book-Entry**  
13 **System.** (a) DTC is hereby appointed depository for the Series 2008 Bonds. The Series 2008  
14 Bonds shall be issued in book-entry form only, and shall be initially registered in the name of  
15 “Cede & Co.,” as nominee of DTC. One bond certificate shall be issued for each maturity of the  
16 Current Interest Bonds, and one bond certificate shall be issued for each maturity of the Capital  
17 Appreciation Bonds. Registered ownership of such Series 2008 Bonds, or any portion thereof,  
18 may not thereafter be transferred except as provided in this Section or Section 11 hereof:

19 (i) To any successor of DTC, or its nominee, or to any substitute depository  
20 designated pursuant to clause (ii) of this section (a “substitute depository”); provided,  
21 however that any successor of DTC, as nominee of DTC or substitute depository, shall be  
22 qualified under any applicable laws to provide the services proposed to be provided by it;

23 (ii) To any substitute depository not objected to by the District or the County,  
24 upon (1) the resignation of DTC or its successor (or any substitute depository or its  
25 successor) from its functions as depository, or (2) a determination by the County (upon  
26 consultation with the District) to substitute another depository for DTC (or its successor)  
27 because DTC or its successor (or any substitute depository or its successor) is no longer  
28 able to carry out its functions as depository; provided, that any such substitute depository

1 shall be qualified under any applicable laws to provide the services proposed to be  
2 provided by it; or

3 (iii) To any person as provided below, upon (1) the resignation of DTC or its  
4 successor (or substitute depository or its successor) from its functions as depository;  
5 provided that no substitute depository which is not objected to by the County can be  
6 obtained, or (2) a determination by the County (upon consultation with the District) that it  
7 is in the best interests of the County to remove DTC or its successor (or any substitute  
8 depository or its successor) from its functions as depository.

9 (b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of  
10 this Section, upon receipt of the outstanding Series 2008 Bonds by the Paying Agent, together  
11 with a written request of the District or County to the Paying Agent, a new Series 2008 Bond for  
12 each maturity shall be executed and delivered (in the case of Current Interest Bonds, in the  
13 aggregate principal amount of the Current Interest Bonds then outstanding, and in the case of  
14 Capital Appreciation Bonds, in the aggregate maturity value of the Capital Appreciation Bonds  
15 then outstanding), registered in the name of such successor or such substitute depository, or their  
16 nominees, as the case may be, all as specified in such written request of the District or County. In  
17 the case of any transfer pursuant to clause (iii) of subsection (a) of this section, upon receipt of the  
18 outstanding Series 2008 Bonds by the Paying Agent together with a written request of the District  
19 or County to the Paying Agent, new Series 2008 Bonds shall be executed and delivered in such  
20 denominations, numbered in the manner determined by the Paying Agent, and registered in the  
21 names of such persons, as are requested in such written request of the District or County, subject  
22 to the limitations of Section 6 and the receipt of such a written request of the District or County,  
23 and thereafter, the Series 2008 Bonds shall be transferred pursuant to the provisions set forth in  
24 Section 11 of this County Resolution; provided, however, that the Paying Agent shall not be  
25 required to deliver such new Series 2008 Bonds within a period of less than 60 days after the  
26 receipt of any such written request of the District or County.

27 (c) In the case of partial redemption or an advance refunding of the Series 2008 Bonds  
28 evidencing all or a portion of the principal amount then outstanding, DTC shall make an

1 appropriate notation on the Series 2008 Bonds indicating the date and amounts of such reduction  
2 in principal.

3 (d) The County, the District and the Paying Agent shall be entitled to treat the person  
4 in whose name any Series 2008 Bond is registered as the owner thereof, notwithstanding any  
5 notice to the contrary received by the County, the District or the Paying Agent; and the County,  
6 the District and the Paying Agent shall have no responsibility for transmitting payments to,  
7 communicating with, notifying, or otherwise dealing with any beneficial owners of the Series  
8 2008 Bonds, and neither the County, the District nor the Paying Agent shall have any  
9 responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party,  
10 including DTC or its successor (or substitute depository or its successor), except for the Owner of  
11 any Series 2008 Bonds.

12 (e) So long as the outstanding Series 2008 Bonds are registered in the name of Cede &  
13 Co. or its registered assigns, the District, the County and the Paying Agent shall cooperate with  
14 Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the  
15 principal of and interest on the Series 2008 Bonds by arranging for payment in such manner that  
16 funds for such payments are properly identified and are made immediately available on the date  
17 they are due.

18 **Section 11. Transfer and Exchange.** (a) *Transfer.* Following the termination or  
19 removal of DTC or successor depository pursuant to Section 10 hereof, any Series 2008 Bond  
20 may, in accordance with its terms, be transferred, upon the Registration Books, by the Owner  
21 thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such  
22 Series 2008 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly  
23 executed written instrument of transfer in a form approved by the Paying Agent.

24 Whenever any Series 2008 Bond or Series 2008 Bonds shall be surrendered for transfer,  
25 the designated County officials shall execute and the Paying Agent shall authenticate and deliver,  
26 as provided in Section 5, a new Series 2008 Bond or Series 2008 Bonds, of the same maturity,  
27 Interest Payment Date and interest rate (in the case of Current Interest Bonds, for a like aggregate  
28 principal amount, and in the case of Capital Appreciation Bonds, for a like aggregate maturity

1 value). The Paying Agent may require the payment by any Owner of Series 2008 Bonds  
2 requesting any such transfer of any tax or other governmental charge required to be paid with  
3 respect to such transfer.

4 No transfer of any Series 2008 Bond shall be required to be made by the Paying Agent (1)  
5 during the period established by the Paying Agent for selection of the Series 2008 Bonds for  
6 redemption, and (2) after any Series 2008 Bond has been selected for redemption.

7 (b) *Exchange.* The Series 2008 Bonds may be exchanged for Series 2008 Bonds of  
8 other authorized denominations of the same maturity and Interest Payment Date, by the Owner  
9 thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such  
10 Series 2008 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly  
11 executed request for exchange in a form approved by the Paying Agent.

12 Whenever any Series 2008 Bond or Series 2008 Bonds shall be surrendered for exchange,  
13 the designated County officials shall execute and the Paying Agent shall authenticate and deliver,  
14 as provided in Section 5, a new Series 2008 Bond or Series 2008 Bonds of the same maturity and  
15 interest payment mode and interest rate (in the case of Current Interest Bonds, for a like aggregate  
16 principal amount, and in the case of Capital Appreciation Bonds, for a like aggregate maturity  
17 value). The Paying Agent may require the payment by the Owner requesting such exchange of  
18 any tax or other governmental charge required to be paid with respect to such exchange.

19 No exchange of any Series 2008 Bonds shall be required to be made by the Paying Agent  
20 (1) during the period established by the Paying Agent for selection of the Series 2008 Bonds for  
21 redemption, and (2) after any Series 2008 Bond has been selected for redemption.

22 **Section 12. Sale of Bonds; Contract of Purchase.** The Contract of Purchase  
23 submitted to and on file with the Clerk to this Board of Supervisors providing for the sale by this  
24 Board of Supervisors and the purchase by the Underwriter of the Series 2008 Bonds at a purchase  
25 price to be set forth therein (which purchase price shall be approved by the Treasurer, this Board  
26 of Supervisors hereby expressly delegating to such officer the authority to execute the Contract of  
27 Purchase on its behalf), is hereby approved; provided, however, that (a) true interest cost for the  
28 Series 2008 Bonds shall not be in excess of 6.50%, (b) the interest rate on the Current Interest

1 Bonds shall not exceed 12.0% per annum, (c) the Capital Appreciation Bonds shall accrete in  
2 value to their maturity values at a compounded interest rate not to exceed 12.0% per annum, (d)  
3 the minimum price for the Series 2008 Bonds shall be not less than the aggregate principal  
4 amount thereof, (e) the Underwriter's discount for the sale of the Series 2008 Bonds shall not  
5 exceed 1.25% of the principal amount of the Series 2008 Bonds exclusive of any costs of issuance  
6 the Underwriter contracts to pay, and (f) the Series 2008 Bonds shall otherwise conform to the  
7 limitations specified herein.

8 The Contract of Purchase shall recite the aggregate principal amount of the Series 2008  
9 Bonds, and with respect to the Current Interest Bonds, shall recite the date thereof, the maturity  
10 dates, principal amounts and annual rates of interest of each maturity thereof, the initial and  
11 semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund  
12 redemption thereof, if any; and with respect to the Capital Appreciation Bonds, shall recite the  
13 date thereof, the initial principal amounts, maturity dates, and maturity values of each maturity  
14 thereof, the initial and semiannual Interest Payment Dates thereof, and the terms of optional and  
15 mandatory sinking fund redemption thereof, if any.

16 The Treasurer (or an authorized deputy or delegate of the Treasurer) is hereby authorized  
17 and directed to accept the offer of the Underwriter when the offer is satisfactory to the Treasurer,  
18 and to execute and deliver the Contract of Purchase on behalf of the County in substantially the  
19 form now on file with this Board of Supervisors, with such changes therein as shall be approved  
20 by the authorized officer of the County executing the same, and such execution shall constitute  
21 conclusive evidence of the Treasurer's approval and the Board of Supervisors' approval of any  
22 change therein from the form of such Contract of Purchase.

23 **Section 13. Deposit and Investment of Proceeds.** (a) The proceeds from the sale of  
24 the Series 2008 Bonds, exclusive of any premium and accrued interest received, shall be  
25 deposited in the County treasury and credited to the building fund of the District. Any premium  
26 (net of any discount) and accrued interest shall be deposited upon receipt in the interest and  
27 sinking fund of the District within the County treasury maintained by the County Auditor-  
28 Controller. The County makes no assurances regarding the use of the Series 2008 Bond proceeds.

1 (b) All funds held by the Treasurer hereunder shall be invested by the Treasurer  
2 pursuant to State law and the investment policy of the County.

3 (i) At the written request of the District, all or any portion of the building fund  
4 of the District may be invested in the Local Agency Investment Fund in the treasury of the  
5 State of California.

6 (ii) At the written request of the District, all or any portion of the building fund  
7 of the District may be invested on behalf of the District in investment agreements,  
8 including guaranteed investment contracts, which comply with the requirements of each  
9 rating agency then rating the Series 2008 Bonds necessary in order to maintain the then-  
10 current rating on the Series 2008 Bonds.

11 **Section 14. Tax Covenant.** The County acknowledges and relies upon the fact that the  
12 District has represented and covenanted that it shall not take any action, or fail to take any action,  
13 if such action or failure to take such action would adversely affect the exclusion from gross  
14 income of the interest payable on the Series 2008 Bonds under Section 103 of the Code, and that  
15 the County will comply with written instructions of the District which are necessary for the  
16 District to meet the requirements of the Tax Certificate of the District with respect to the Series  
17 2008 Bonds, to be entered into by the District as of the date of issuance of the Series 2008 Bonds,  
18 and further that such representation and covenant shall survive payment in full or defeasance of  
19 the Series 2008 Bonds

20 **Section 15. Continuing Disclosure Certificate.** The County acknowledges and relies  
21 upon the fact that the District has represented that it shall execute a Continuing Disclosure  
22 Certificate containing such covenants of the District as shall be necessary to comply with the  
23 requirements of Securities and Exchange Commission Rule 15c2-12. The County acknowledges  
24 and relies upon the fact that the District has covenanted that it will comply with and carry out all  
25 of the provisions of such Continuing Disclosure Certificate. The District shall function as or  
26 cause the appointment of a dissemination agent, who shall perform all duties and obligations of  
27 the Dissemination Agent as set forth in the Continuing Disclosure Certificate, and the County  
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1 shall have no responsibilities either for compliance with the Continuing Disclosure Certificate or  
2 for the duties of the Dissemination Agent.

3       **Section 16. Limited Responsibility for Official Statement.** Neither the Board of  
4 Supervisors nor any officer of the County has prepared or reviewed the Official Statement of the  
5 District describing the Series 2008 Bonds, and the Board of Supervisors and the various officers  
6 of the County take no responsibility for the contents or distribution thereof; provided, however,  
7 that solely with respect to a section contained or to be contained therein describing the County's  
8 investment policy, current portfolio holdings, and valuation procedures, as they may relate to  
9 funds of the District, the Treasurer is hereby authorized and directed to prepare and review such  
10 information for inclusion in the District's Official Statement and in a preliminary Official  
11 Statement, and to certify to the District prior to or upon the issuance of the Series 2008 Bonds that  
12 the information contained in such section does not contain any untrue statement of a material fact  
13 or omit to state any material fact necessary in order to make the statements made therein, in the  
14 light of the circumstances under which they are made, not misleading.

15       **Section 17. Approval of Actions.** The Chairperson of the Board of Supervisors, the  
16 Clerk to the Board of Supervisors, the County Auditor-Controller, the County Counsel, and the  
17 Treasurer and the deputies and designees of any of them, are hereby authorized and directed to  
18 execute and deliver any and all certificates and representations, as may be acceptable to County  
19 Counsel, including signature certificates, no-litigation certificates, and other certificates proposed  
20 to be distributed in connection with the sale of the Series 2008 Bonds, necessary and desirable to  
21 accomplish the transactions authorized herein.

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**Section 18. Effective Date.** This County Resolution shall take effect from and after its adoption.

**PASSED and ADOPTED** by the Board of Supervisors of the County of Riverside on July 15, 2008.

\_\_\_\_\_  
Chairperson of the Board of Supervisors

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk to the Board of Supervisors

FORM APPROVED COUNTY COUNSEL  
BY: Dale A. Gardner 6/30/08  
DALE A. GARDNER DATE

**EXHIBIT A**  
**[Form of Current Interest Bond]**

Number \_\_\_\_\_ UNITED STATES OF AMERICA Amount \$ \_\_\_\_\_  
R-\_\_\_ STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2008

CURRENT INTEREST BOND

Maturity Date \_\_\_\_\_ Interest Rate \_\_\_\_\_ Dated as of \_\_\_\_\_ CUSIP NO. \_\_\_\_\_  
September 1, 20\_\_ % \_\_\_\_\_, 2008 \_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Sum: \_\_\_\_\_ DOLLARS

The Murrieta Valley Unified School District, County of Riverside, State of California (herein called the "District"), is obligated and promises to pay, but only from taxes collected by the County of Riverside (the "County") for such purposes pursuant to Section 15250 of the California Education Code, to the registered owner identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before \_\_\_\_ 15, 200\_, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on \_\_\_\_ 1, 200\_, and thereafter on March 1 and September 1 in each year, until payment of the principal sum.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the County Resolution) of Zions First National Bank, Los Angeles, California (herein called the "Paying Agent"), the paying agent/registrar and transfer agent of the District. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of current interest Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall

be made in immediately available funds as provided in the County Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ \_\_\_\_\_, and designated as "Murrieta Valley Unified School District General Obligation Bonds, Election of 2006, Series 2008" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on June 6, 2006. The Bonds are issued and sold by the Board of Supervisors of the County pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of a resolution (herein called the "County Resolution") adopted by the Board of Supervisors of the County on \_\_\_\_\_, 2008, and subject to the more particular terms specified in the Contract of Purchase, dated as of \_\_\_\_\_, 2008, by and among the District, the County and Piper Jaffray & Co.

The current interest Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no current interest Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the County Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the County Resolution, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same series, interest payment mode, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The County, the District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the County, the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the County Resolution, and as shown in the attached Redemption Schedule. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

In reliance upon the representations, certifications and declarations of the District, the Board of Supervisors of the County hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond; and that this bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds are obligations of the District payable out of the interest and sinking fund of the District, and the money for the payment of principal of, premium, if any, and interest the Bonds shall be raised by taxation upon the taxable property of the District. The Bonds do not constitute a debt, liability or

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obligation of the County and no part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the County of Riverside has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairperson of the Board of Supervisors of the County and the Treasurer-Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

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Chairperson of the Board of  
Supervisors of the County of Riverside

[SEAL]

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Treasurer-Tax Collector of  
the County of Riverside

Countersigned:

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Clerk to the Board of Supervisors of  
the County of Riverside

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION**

This is one of the current interest Bonds described in the within-mentioned County Resolution and authenticated and registered on \_\_\_\_\_.

Zions First National Bank, Los Angeles, California,  
as Paying Agent/Registrar and Transfer Agent

By \_\_\_\_\_  
Authorized Officer

**DTC LEGEND**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**[STATEMENT OF INSURANCE]**

## ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number \_\_\_\_\_

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

Notice: Signature must be guaranteed by an eligible guarantor institution.

**REDEMPTION SCHEDULE**

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS  
ELECTION OF 2006, SERIES 2008

**EXHIBIT B**  
**[Form of Capital Appreciation Bond]**

Number	UNITED STATES OF AMERICA	Maturity
	Value	
CAB-__	STATE OF CALIFORNIA	\$ _____
	COUNTY OF RIVERSIDE	

MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES 2008  
CAPITAL APPRECIATION BOND

Maturity Date	Dated as of	CUSIP NO.
September 1, 20__	_____, 2008	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: \_\_\_\_\_ DOLLARS

Accreted Value at Maturity: \_\_\_\_\_ DOLLARS

The Murrieta Valley Unified School District of the County of Riverside, State of California (herein called the "District"), is obligated and promises to pay, but only from taxes collected by the County of Riverside (the "County") for such purposes pursuant to Section 15250 of the California Education Code, on the maturity date specified above or upon prior redemption hereof, in lawful money of the United States of America, to the registered owner identified above or registered assigns, the accreted value hereof on such date, consisting of the initial principal amount hereof plus interest accreted thereon to such date (in accordance with the County Resolution hereinafter defined and as reflected in the Table of Accreted Values hereinafter set forth; provided, that any accreted value determined in accordance with the County Resolution shall prevail over any accreted values given in the Table of Accreted Values), commencing on the date hereof, compounded on March 1 and September 1 of each year commencing on \_\_\_\_\_ 1, 200\_, assuming in any such semiannual period that such interest accretes in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the obligation represented hereby shall have been discharged, as provided in the County Resolution hereinafter defined, upon the surrender hereof at the principal corporate trust office (as defined in the County Resolution) of Zions First National Bank, Los Angeles, California (herein called the "Paying Agent"), the paying agent/registrars and transfer agent of the District.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates or yields, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ \_\_\_\_\_ principal amount, and designated as "Murrieta Valley Unified School District General Obligation Bonds, Election of 2006, Series 2008" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on June 6, 2006. The Bonds are issued and sold by the Board of Supervisors of the County pursuant to and in strict conformity with the

provisions of the Constitution and laws of the State, and of a resolution (herein called the "County Resolution") adopted by the Board of Supervisors of the County on \_\_\_\_\_, 2008, and subject to the more particular terms specified in the Contract of Purchase, dated as of \_\_\_\_\_, 2008, by and among the District, the County and Piper Jaffray & Co.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 accreted value at maturity (the "maturity value") or any integral multiple thereof, except that the first numbered Bond may be issued in a denomination such that the maturity value of such Bond shall not be in an integral multiple of \$5,000, and provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the County Resolution, Bonds may be exchanged for a like aggregate maturity value of Bonds of the same series, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the County Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same Series 2008 Bond interest payment mode and same aggregate maturity value will be issued to the transferee in exchange herefor.

The County, the District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the County, the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the County Resolution, and as shown in the attached Redemption Schedule. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

In reliance upon the representations, certifications and declarations of the District, the Board of Supervisors of the County hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond, and that this bond is in substantially the form prescribed by order of this Board duly made and entered on its minutes. The Bonds are obligations of the District payable out of the interest and sinking fund of the District, and the money for the payment of the maturity value of this bond (or redemption price hereof upon redemption prior to maturity) shall be raised by taxation upon the taxable property of the District. The Bonds do not constitute a debt, liability or obligation of the County and no part of any fund or account of the County is pledged or obligated to the payment of the Bonds.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

**IN WITNESS WHEREOF**, the County of Riverside has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairperson of the Board of Supervisors of the County and the Treasurer-Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

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Chairperson of the Board of  
Supervisors of the County of Riverside

[SEAL]

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Treasurer-Tax Collector of  
the County of Riverside

Countersigned:

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Clerk to the Board of Supervisors of the  
County of Riverside

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION**

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on \_\_\_\_\_.

Zions First National Bank, Los Angeles,  
California, as Paying Agent/Registrar and Transfer  
Agent

By \_\_\_\_\_  
Authorized Officer

**DTC LEGEND**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**[STATEMENT OF INSURANCE]**

## ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number \_\_\_\_\_

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_

Notice: Signature must be guaranteed by an eligible guarantor institution.

**REDEMPTION SCHEDULE**

**MURRIETA VALLEY UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS  
ELECTION OF 2006, SERIES 2008**

**[TABLE OF ACCRETED VALUES]**